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BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Secretary Of Defense

Greater Emphasis On Occupant Responsibilities Can Reduce Military Family Housing Costs

The military services need to (1) more effectively hold tenants accountable for damages to family housing and (2) provide clear instructions for identifying and collecting for such damages. Uncertain as to what constitutes abuse and negligence, installation housing offices have been reluctant to charge tenants. Consequently, the Government absorbs the repair costs.

The services' self-help maintenance programs have much potential to reduce maintenance costs. However, this potential will not be realized until problems are corrected.

GAO believes that DOD and the services can deter future occupant damage, increase self-help program benefits, and substantially reduce housing maintenance costs without taking unfair advantage of occupants. GAO makes recommendations to assist DOD and the services in their improvement efforts.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

B-211625

The Honorable Caspar W. Weinberger
The Secretary of Defense

Attention: Office of GAO Report Analysis

Dear Mr. Secretary:

This report discusses the Department of Defense's efforts on requiring occupants of military family housing to be responsible tenants and on operating self-help maintenance programs. We made the review to evaluate the services' effectiveness in identifying and assessing occupant damages and their efficiency and effectiveness in operating self-help maintenance programs.

Our report contains recommendations to you on pages 12 and 23. As you know, 31 U.S.C. § 720 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report. A written statement must also be sent to the House and Senate Committees on Appropriations with an agency's first request for appropriations made more than 60 days after the date of the report. We would appreciate receiving copies of these statements.

We are sending copies of this report to the Chairmen of the four committees mentioned above as well as to the Chairmen, House and Senate Committees on Armed Services. We are also sending copies of the report to the Director, Office of Management and Budget, and the Secretaries of the Army, Navy, and Air Force.

Sincerely yours,

for Donald J. Conahan
Frank C. Conahan
Director

D I G E S T

The high cost of maintaining the Department of Defense's (DOD's) large family housing inventory has been of congressional concern for some time. For DOD's nearly 269,000 housing units in the continental United States, almost \$400 million in 1981 was spent for maintenance costs, an average of about \$1,500 per unit.

Because of the large amounts spent for family housing maintenance and the congressional concern in this matter, GAO made this review to evaluate the services'

--effectiveness in identifying and assessing occupant damages and

--efficiency and effectiveness in operating self-help maintenance programs. (See p. 1.)

GAO identified several opportunities to improve the services' success in making occupants accountable for damages and to enhance the potential benefits of the self-help programs. By acting on its recommendations, GAO believes that DOD and the services can deter future occupant damage, enhance self-help program benefits, and substantially reduce housing maintenance costs without taking unfair advantage of housing occupants. (See pp. 11 and 12.)

INCREASED EFFORTS TO MAKE
OCCUPANTS ACCOUNTABLE FOR
DAMAGES CAN DETER MISUSE
AND REDUCE COSTS

Prior to 1980, military regulations required that housing occupants be held accountable for damages caused by gross negligence or abuse. Proving gross negligence was difficult and costly and sometimes prevented the services from collecting for damages done to housing. Recognizing this problem, DOD sought and received aid from the Congress in 1980.

To clarify occupant liability for damages and to facilitate collections, the Congress addressed the gross negligence standard in the fiscal year 1981 Military Construction Authorization Act. Deleting the requirement to prove gross negligence, the act also gave the services authority to make involuntary deductions from servicemember's pay, making it easier to collect for damages. As an incentive to enforce the act's provisions, the Congress stipulated that monies collected for occupant damages be returned to the Family Housing Management Account.

Despite the additional authority and incentive provided by the new legislation, DOD and the services have been slow to implement its provisions. The act was passed in October 1980, yet DOD did not incorporate the changes in its policy regulation until July 1981. The services did not issue changes to their regulations until early 1982. Moreover, while both DOD and the services have established policy concerning occupant accountability, neither has developed explicit criteria for distinguishing damages from normal wear nor taken assertive action to ensure that procedures are developed and implemented to effectively identify and assess damages. (See pp. 4 and 5.)

Without command emphasis or definitive guidance, housing offices at military bases have continued to identify and assess damages essentially the same as before the new legislation. Consequently, unidentified damages are often treated as routine maintenance, and repair costs are absorbed by the Government. At 11 bases, GAO identified over \$1 million in repair costs during a 1-year period which were necessitated by occupant damages. These damages included such things as holes in walls and ceilings; broken doors, windows, and light globes; missing towel racks and curtain and shower rods; and torn screens. Since GAO's estimate of \$1 million covers less than 8 percent of DOD's housing units, total occupant damages would likely be much higher. (See pp. 8 and 9.)

CHANGES NEEDED TO IMPROVE
THE EFFICIENCY AND EFFECTIVENESS
OF SELF-HELP MAINTENANCE PROGRAMS

DOD requires family housing occupants to perform routine housekeeping tasks, mostly cleaning and lawn care, that would be expected of tenants in private housing. The services have specified other minor maintenance tasks, such as tightening screws, patching screens, resetting nails, or clearing clogged drains, that occupants may elect to perform. These additional tasks, which vary among the services, are referred to as self-help maintenance. These voluntary self-help programs were established to stimulate occupant responsibility for and participation in home maintenance. By providing housing occupants training and free materials in return for their labor, these programs are intended to reduce maintenance costs while fostering responsibility in housing occupants.

Though these self-help programs vary widely among and within the services, service officials generally believe their programs to be successful. Yet, they have neither criteria nor procedures to measure program costs and benefits. In some cases the range of self-help materials goes beyond that needed for the voluntary tasks, in apparent conflict with DOD and service requirements that occupants pay for repairing damage they inflict. At bases served by flat-rate maintenance contracts, self-help programs may be an unnecessary expense. Moreover, internal controls to account for housing funds used in self-help programs at the bases we visited are generally poor, and there is little accountability for self-help material inventories and issues. Also, wide variances in the programs may result in inequitable treatment of occupants.

Given these problems and conflicts, some self-help programs are not as effective as they should be. At 11 bases GAO identified about \$400,000 in self-help work that was done by the Government or its contractors during a 1-year period. Likewise, military audit reports indicate that Government or contract maintenance personnel are still performing a substantial number of self-help tasks for occupants. While the self-help concept has the potential

to significantly reduce maintenance costs, the current implementations of that concept appear to be falling short of expectations, and some of the programs may cost more money than they save.

Because valid cost data and accurate issue records were not available, GAO could not determine conclusively the cost effectiveness of the services' self-help programs. GAO believes, however, that changes are needed before the potential benefits of self-help programs can be fully realized. (See pp. 15, 16, 22, and 23.)

RECOMMENDATIONS

To deter occupant damage, enhance potential benefits of self-help programs, and reduce family housing maintenance costs, the Secretary of Defense should provide explicit criteria as to what constitutes abuse and neglect and strongly emphasize the importance of ensuring that occupants pay for damages. The Secretary should also direct the Secretaries of the Army, Navy, and Air Force to:

- Provide highly visible command emphasis on an assertive damage assessment and collection program.
- Develop and issue clear, specific instructions for identifying and assessing occupant damages.

Regarding the self-help programs, GAO also recommends that the Secretary of Defense require the service Secretaries to reassess their programs, including determining costs and savings. GAO is also recommending that the Secretary of Defense strengthen internal controls and provide uniform, specific guidelines for self-help programs. (See pp. 12 and 23 for more details.)

AGENCY COMMENTS

DOD concurred with most of GAO's findings, conclusions, and recommendations. DOD did not concur with GAO's methodology in estimating over \$1 million of tenant damages not assessed at the 11 installations GAO visited. GAO

continues to believe its methodology is sound and its estimate is conservative. (See p. 13.)

Other comments made by DOD, and GAO's evaluation of those comments, are contained in chapters 2 and 3.

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ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

The Department of Defense (DOD) owns and operates about 268,900 family housing units in the conterminous 48 States and the District of Columbia. The high cost of maintaining these units has been of congressional concern for sometime. In 1981 the reported cost of family housing maintenance, excluding major repair and energy conservation costs, reached nearly \$400 million, an average of about \$1,500 per unit.

In our January 13, 1978, report to the Secretary of Defense (CED-78-26), we identified potential for significant savings by emphasizing occupant responsibilities. The report concluded that housing occupants were not charged for damages resulting from abuse and negligence primarily because military regulations required that gross negligence be proved before an occupant could be held liable. Because of the difficulty in proving gross negligence and the large number of seemingly low cost repairs, the services were reluctant to assess occupants for damages.

In an effort to contain maintenance costs, the Congress enacted legislation, Public Law 96-418, in October 1980 which made it easier for the services to collect from tenants ^{1/} for damages. The new legislation also authorizes all service Secretaries to collect involuntarily if necessary. To stimulate tenant responsibility for, and participation in, home maintenance, the services have established voluntary self-help programs.

OBJECTIVES, SCOPE, AND METHODOLOGY

We made this review to determine why these home maintenance costs are high and to identify opportunities for reducing them. We examined two aspects of the services' maintenance programs for family housing: (1) the effectiveness of the services in charging and collecting damages from their tenants and (2) the efficiency and effectiveness of the self-help programs.

We conducted our evaluation at the headquarters of the Departments of Defense, Air Force, Army, Navy, and Marine Corps and at 11 military bases (see app. I) each having 1,000 or more family housing units. This sample represented less than 8 percent of the total 268,900 housing units. To provide a balanced approach, we included three sites each for the Army, Navy, and Air Force and two for the Marine Corps.

^{1/}In this report, we use the terms "tenants" and "occupants" synonymously to refer to residents of military family housing.

We interviewed housing officials at headquarters and installation levels, and at the sites we spoke with inspectors, quality assurance personnel, and contract administrators. We also reviewed DOD and service regulations and their local supplements, as well as maintenance and self-help store records, procedures, and practices. We accompanied inspectors at each location visited as they examined housing during changes of occupancy.

We identified certain common problems at the installations we visited and projected potential savings for each site. Since the maintenance aspects we observed are governed by servicewide policies and procedures, we believe our findings are indicative of the situation at other locations. Our sample was not, however, statistically valid for the entire universe of DOD housing and we could not project the results of our work to that universe.

Our review was conducted between May and October 1982 and was made in accordance with generally accepted government auditing standards.

Determining tenant damage

To determine the extent of tenant liability, we identified certain types of repairs and replacements which we believe can reasonably be attributed to abuse or negligence--e.g., holes in walls and doors and broken windows and light globes. We then checked maintenance records for instances where the Government had repaired such damage but had not collected from tenants.

Because of the large number of housing units and the great number of repairs performed, we limited our analyses to random samples of housing units. By using statistically valid samples, we were able to project the results of each analysis to the installation's entire family housing.

Determining services' success at encouraging tenant responsibility

Each service has published regulations describing minor maintenance tasks which tenants are expected to perform. To evaluate the success of the self-help programs in encouraging tenant responsibility and participation, we examined installation maintenance records to determine the extent to which the Government still performs these tenant tasks. Using the random samples of maintenance records described above, we identified instances of minor maintenance that the tenant should have performed, and projected the frequency and cost of these instances at each installation.

We also evaluated the installations' internal controls for ensuring accountability and reviewed store inventories and issue records to ascertain the types of materials issued to tenants.

We attempted to determine if self-help programs were cost effective, but we were unsuccessful primarily because valid cost information was not available.

CHAPTER 2

INCREASED EFFORTS TO MAKE HOUSING

OCCUPANTS ACCOUNTABLE FOR DAMAGES CAN

DETER MISUSE AND REDUCE MAINTENANCE COSTS

Current legislation and regulations require that tenants be held pecuniarily liable for damages caused by their abuse or negligence to military family housing. Both DOD and the services have established policy concerning occupant accountability. However, neither has developed specific criteria for distinguishing damages from normal wear, nor taken assertive action to ensure that procedures are developed and implemented to effectively identify and assess damages.

Without command emphasis or definitive guidance, housing offices at military installations have been lax in identifying and assessing damages. Consequently, unidentified damages are treated as routine maintenance, and the cost of repair is absorbed by the Government. At the 11 installations we visited, we identified over \$1.1 million in repair costs over a 1-year period which we believe were the result of abuse or negligence. Since our estimate covers less than 8 percent of DOD's 268,900 housing units, total tenant damages would likely be much higher.

LACK OF EMPHASIS AND CLEAR GUIDANCE HAMPER EFFORTS TO ASSESS AND COLLECT TENANT DAMAGES

Before 1980 DOD and service regulations held occupants accountable for damages caused by "gross" negligence or abuse. Proving gross negligence was difficult and costly and effectively prevented the services from collecting for damages. Our 1978 report concluded that housing officials were reluctant to assess occupant damage because of the requirement to prove gross negligence.

Recognizing this problem, DOD officials sought and received aid from the Congress in 1980. To clarify occupant liability for damages and to facilitate collections, the Congress addressed the gross negligence standard in the fiscal year 1981 Military Construction Authorization Act. Deleting the requirement to prove gross negligence, it specified instead that a service member would be liable "for damages * * * caused by the abuse or negligence of such member or a dependent of such member." Furthermore, the act instructed the Secretary of Defense to provide regulations for determining the cost of repairs or replacements made necessary as a result of tenant abuse.

To facilitate uniform collection of these costs, the act authorized the service Secretaries to make deductions from service members' pay. The Army and Air Force had this authority

for enlisted members but not for officers. The Navy and Marine Corps received the authority to make deductions for the first time. As an incentive to enforce the act's provisions, the Congress stipulated that all monies collected for tenant damages be credited to the Family Housing Management Account. Previously such collections were credited to the Miscellaneous Receipts Account, U.S. Treasury.

Despite the additional authority and incentive provided by the new legislation, DOD and the services have been slow to implement its provisions. Although the Congress passed the act in October 1980, DOD did not incorporate the changes in its policy regulation until July 1981, and the services did not issue changes to their regulations until early 1982.

Moreover, neither DOD nor the services have provided consistent explicit criteria for defining tenant damage caused by abuse or instructions for identifying and assessing such damages. ^{1/} Distinguishing damage from normal wear is a crucial element in assigning liability, yet existing instructions provide no guidance for making such determinations. Without such guidance the distinction has been left solely to the judgment of the housing inspectors at the base level, resulting in wide variations in practice among the installations, and even among inspectors at the same installation.

This lack of emphasis and guidance is reflected in housing operations at individual installations. At the time of our review, housing offices continued to assess and collect for damages essentially the same as before the legislation was changed. At one Air Force installation, a local housing instruction, dated several months after the service's regulation was changed, still specified "gross negligence and willful abuse" as criteria for determining occupant liability.

IDENTIFICATION AND ASSESSMENT
OF TENANT DAMAGE IS HAPHAZARD
AND INCONSISTENT

Unlike renters in the private sector, tenants of military housing do not post security deposits to cover any damage they

^{1/}When DOD revised its regulations to conform to the new act, it instructed the services to follow existing DOD instructions for handling damages to Government property which had not been changed to reflect the new provisions. While Army and Air Force officials do not see this as a problem, Navy housing officials contend that DOD and Navy guidance is confusing and inadequate and suspended action to make involuntary deductions for tenant damage. The Navy's action also affects the Marine Corps. As of December 1982, this matter had not been resolved.

may inflict. Instead the military relies on a series of inspections to ascertain the condition of the housing unit. They identify damages caused by the tenant and collect repair costs for damages identified by the housing inspector. The installations we visited had assessed about \$52,000 in tenant damages during a recent 1-year period.

While the military has had some success enforcing tenant responsibilities, substantial tenant damage goes undetected. Installations have found it difficult to identify tenant damages and assess appropriate repair costs. Too often the Government, rather than the tenant who caused the damage, must absorb these costs. Failure to identify damages and recover the cost of repair from the responsible occupant can result in a significant loss.

Tenant damage often undetected and undervalued

With some variations, the four services follow standard procedures to identify and assess tenant damages. When tenants first move in, they and the inspector are supposed to go over the unit jointly to document its condition. Before they move out, the inspector comes again to determine any damage to be repaired and its likely cause. At that time the inspector informs the tenants of any damage for which they are liable and gives them the choice of repairing it or reimbursing the Government for repairs. A final inspection occurs after the unit is vacated to ensure that previously undetected or unrepaired damage is discovered and properly attributed. If the inspector believes the tenants are liable, they are to get a cost estimate from maintenance and begin procedures to collect repair costs from the departing tenants. They should not be released from responsibility for the unit until the charges are settled.

Damage can also be ascertained when tenants request maintenance service. When a tenant requests that repairs be made which are likely due to abuse or negligence, the person receiving the request should report it to a housing inspector. The inspector should determine liability before the work is done, and, if warranted, initiate collection action.

All the services prescribe procedures generally similar to those above, but records show that they have had only limited success identifying tenant damage. We examined the repair records of randomly selected housing units at each installation and evaluated the maintenance done at change of occupancy and during routine service calls. Our analysis, which covered repairs made during a 1-year period, showed that most of these units had at least one incident of negligence and abuse not charged to the tenants. We could not absolutely determine whether the repairs were caused by tenant abuse, because the records usually listed only the item repaired or replaced (e.g., "new door") rather than a description of the damage (e.g., "hole

in door"). However, the high percentage of units for which we identified such damage repaired at Government expense indicates the services' ineffectiveness in determining and assessing tenant damages. As the following table shows, the damage incident rate ranges from 12 to 84 percent and the estimated cost of repairs exceeds \$1 million.

Estimate of Tenant Damages Not Assessed

	<u>No. of housing units</u>	<u>Incident rate</u>	<u>Average repair cost per unit</u>	<u>Estimated cost of repairs</u>
Navy:				
New London Submarine Base	2,227	60	\$ 54	<u>a/\$119,967</u>
Naval Educational Training Center	1,459	78	69	<u>a/100,681</u>
Little Creek Amphibious Base	1,000	58	95	94,679
Marine Corps:				
Camp Lejeune	4,450	67	64	286,039
Cherry Point	2,264	55	104	236,200
Air Force:				
Langley Air Force Base	1,676	38	41	<u>d/69,110</u>
Beale Air Force Base	1,725	82	44	<u>c/76,376</u>
Mather Air Force Base	1,271	<u>b/12</u>		(e)
Army:				
Fort Lee	1,469	48	23	<u>b/33,842</u>
Fort Eustis	1,339	72	46	<u>c/61,303</u>
Presidio of San Francisco	<u>1,186</u>	84	24	<u>c/28,112</u>
Total	<u>20,066</u>		\$55	<u>f/\$1,106,309</u>

a/Includes labor costs only.

b/Includes repairs made during service calls only.

c/Includes repairs made at changes of occupancy only.

d/Includes service call data for only 6 months.

e/Incident rate insufficient to project. See Mather example on page 9 for further explanation.

f/The amount is understated because complete repair costs were not available at all sites, sampling of some maintenance records was not feasible, and some sites did not retain maintenance records for an entire year. Also, this estimate does not include damages to housing equipment and appliances.

The following examples illustrate the ineffectiveness of the services' damage assessment and collection efforts:

- At Langley Air Force Base, a tenant was assessed \$113 for damage to carpet and a vinyl floor, but was not charged for broken or missing light globes, holes in three walls, a broken door, a missing towel rack and shower rod, and a burn hole in a fiberglass bathtub. Similar unassessed damages were cited at Fort Eustis.
- At the Presidio, 71 (67 percent) of 106 selected units had sustained damage for which the tenants had not been charged. These damages were documented during initial inspections for incoming tenants, yet had not shown up on the previous tenants' final inspection. Examples of additional damages were nail holes, cracked windows, missing screens, a hole in a door, and a missing light fixture.
- From a sample of 110 housing units at Mather Air Force Base, we found 13 cases of damages that were identified during changes of occupancy. In each case, the base had assessed the outgoing tenants (an indication that Mather generally assessed damages when they were identified on final inspections). However, of the remaining 97 units, 41 had sustained damages for which tenants had not been charged. These damages were identified during initial inspections for incoming tenants, yet had not shown up on the previous tenants' final inspection, suggesting that final inspection did not identify all existing damages.
- At the New London Submarine Base, repairs of damages which were not assessed to tenants included patching holes in walls and ceilings (23 percent of the units); and replacing screens (46 percent), door and window glass (27 percent), light globes (21 percent), and door stops (48 percent). Repair statistics at the Naval Educational Training Center were similar.
- At the Cherry Point Marine Corps Air Station, occupants were generally released from housing before the final inspection. As a result, the costs of repairing tenant damages identified later were absorbed by the station. Examples of such damages include repairing and/or replacing screens, doors, parquet floors, cabinet doors, door stops, and switch plates. Similar examples of damage were also found at Camp Lejeune.

Specific reasons for this failure to identify tenant liability varied among the installations, but the chief inspector at an Army installation perhaps summed it up best. As a private contractor, he explained that he had neither the training nor the written criteria needed to discriminate between normal wear and damages by negligence or abuse. Consequently, he and his subordinate inspectors were reluctant to assess tenants for damage. Similarly, a Navy housing official said his inspectors have problems assessing tenants for damages, and he expects the problem to continue until clear guidance is provided.

Even when tenant damage is identified, the tenant may be charged less than the cost of repair, or the repair cost may be considered insignificant and not collected. For example, at Little Creek Amphibious Base, a tenant did extensive damage to a housing unit, which required replacement of four doors and a shower enclosure. The contractor's price to replace the doors was \$82 each and the shower enclosure was \$111. The tenant was charged \$45 each for the doors and the enclosure. When questioned about this difference, housing officials said their policy was to charge only a fraction of the repair costs to serve as a deterrent. Current policy is to recover actual cost of repairs.

At Beale Air Force Base, tenant damages estimated at less than \$50 are routinely repaired without charge to the tenant. A Beale inspector explained that attempts to collect for such small amounts are not cost effective. While collecting small amounts might not be cost effective on a case-by-case basis, to deter misuse, we believe attempts should be made to collect for all tenant damages.

Tenant damages are rarely assessed during maintenance of occupied housing

Procedures and practices at some sites are not conducive to identifying tenant-caused damage when repairs are made to occupied housing units. Housing inspectors are responsible for identifying damages and initiating collection action, yet the inspectors are generally not involved with repairs to occupied units. Requests for service at some sites are received by the contractors or Government maintenance section rather than the housing office. Military officials told us that the service call receptionist, or the repairman who responds to the request, should notify the housing inspector if tenant abuse or negligence is suspected. It appears that this procedure is often ignored.

Our review indicated that damages are rarely identified and assessed during service call maintenance. The housing officer at one Air Force base said that maintenance does not report suspected damages to housing and that there are not enough inspectors to respond if damages were reported. At Cherry Point,

records for 110 randomly selected units showed 52 cases of tenant damage for which assessments had not been made. At Beale Air Force Base, 42 percent of the service calls for 110 units involved damage rather than normal wear. However, tenants were assessed damages in only four cases. The Government absorbed the remainder of the repair costs which was \$1,608.

This failure to charge tenants for damages may be due, in part, to repairmen's uncertainty regarding normal wear. As has been discussed, the absence of specific definitions impairs identification of abuse and negligence. But another problem may be that repairmen lack incentive to notify the housing office of damages because it increases their work, or they lack faith that housing will charge the tenant.

If the repairman refrains from fixing the damage and notifies the housing office, he must make a second service call later to perform the authorized repair. At Beale Air Force Base, for instance, the contractor who provides the service call maintenance does not report tenant damage, despite the requirements of his contract. To do so, he contends, would increase his labor costs (by doubling the number of visits) without increasing his revenue, as he receives no part of the damages collected from tenants. Maintenance personnel at Fort Eustis told us that based on their past experience, they did not believe the housing office would charge the tenant. Therefore, they did not notify the inspectors when making repairs necessitated by suspected tenant damage.

CONCLUSIONS

The military services have not effectively held tenants accountable for damages to family housing. Both DOD and the services have been slow in implementing new legislation which provides additional authority and incentive for making housing occupants accountable for damages. Moreover, neither has provided criteria for defining damages caused by tenant abuse nor given clear instructions for identifying and collecting for such damages.

Uncertain as to what constitutes abuse and negligence, installation housing offices have been reluctant to charge tenants for damages. Consequently, damages caused by tenants are often not identified as such and the Government absorbs the repair costs.

In addition, procedures for providing maintenance to occupied housing units frequently exclude the housing inspectors, who are responsible for identifying and assessing tenant damages. At some installations repairs were made without the housing inspectors' knowledge, even though the damage may have been caused by the tenant. Consequently, the repairs were treated as routine maintenance, no charges were assessed against the tenant, and the Government bore the cost of repairs.

We believe that more assertive efforts to identify and assess occupant damages would deter misuse and reduce family housing maintenance costs without taking unfair advantage of housing occupants.

RECOMMENDATIONS

To deter occupant damage and reduce housing maintenance costs, we recommend that the Secretary of Defense provide more explicit criteria as to what constitutes abuse and neglect and strongly emphasize the importance of ensuring that tenants pay for damages. In particular, the Secretary should direct the Secretaries of the Army, Navy, and Air Force to:

- Provide highly visible emphasis on an assertive damage assessment and collection program.
- Develop and issue clear, specific instructions for identifying and collecting for tenant damages.

The service Secretaries should require their installations to:

- Provide proper support and command emphasis on enforcing housing occupants' responsibilities.
- Develop and implement procedures to assure that maintenance personnel identify work necessitated by suspected tenant damages and that housing inspectors are notified in order to start collection actions.

AGENCY COMMENTS AND OUR EVALUATION

DOD commented orally on a draft of this report on April 1, 1983, and by letter dated April 15, 1983, (see app. IV). In general, DOD agreed that the high incidence of repairs made at Government expense gives the appearance that the services have not effectively held tenants accountable for damages to family housing. DOD also agreed that more assertive efforts in identifying and assessing occupant damages would deter misuse and reduce family housing maintenance costs without taking unfair advantage of housing occupants. It said that it would develop criteria, within 180 days, to distinguish damages resulting from normal wear versus abuse and negligence and to ensure that the guidance is implemented by the services.

Further, DOD will direct the service Secretaries to provide highly visible emphasis on an assertive damage assessment and collection program. DOD agreed that the service Secretaries should require that their installations provide proper support and command emphasis on enforcing housing occupants' responsibilities. DOD stated that procedures to be developed at the

installation should be sufficient to enable inspectors to identify suspected tenant damage and begin the collection process.

DOD did not concur with our proposal in the draft report that the Secretary of Defense direct the service Secretaries to evaluate and report periodically the effectiveness of their efforts to make housing occupants accountable for their actions. DOD said that subsequent to developing specific criteria to distinguish damages resulting from normal wear versus abuse and negligence, it will direct the service Inspector General teams to include a review of tenant accountability and collection procedures for damages in their periodic inspections. Periodic reports to DOD are not considered necessary.

The main purpose of our proposal was to ensure that top management receives periodic feedback. If the feedback is provided to the services by the services' Inspectors General, as DOD proposes, we will not find it necessary to make a recommendation on this matter.

Regarding our estimate of \$1.1 million of tenant damages not assessed at the 11 installations we visited, DOD said it does not concur with the methodology upon which the estimate was determined since it was based on repair documents and not on an analysis of actual circumstances of the damages. To review actual damages as they occurred would have been time consuming, costly, and impractical. We believe our methodology is sound and, contrary to DOD's contention that the estimate is based on repair documents, we did analyze all available documentation pertaining to the circumstances surrounding the damages. For example, we examined (1) inspection reports that described the condition of housing units when occupants moved in and later when they vacated the units, (2) changes of occupancy records, which showed the work that was necessary to bring units up to the same condition as when previously assigned (excepting normal wear), and (3) housing files to ascertain whether damages were the responsibility of the occupants or had been caused by others, such as vandals. In some cases, we discussed specific damages with housing inspectors to determine why occupants had not been assessed for damages or had been charged less than the full cost of repairs. We also accompanied inspectors at each location visited as they examined housing units during changes of occupancy to identify damages, assign responsibility, and assess repair costs.

From our observations, discussions, and examination of records, we concluded that housing offices were lax in identifying and assessing occupant damages. This resulted in damages being treated as routine maintenance, and the Government absorbing the repair costs. Furthermore, as noted earlier, our estimate of \$1.1 million is significantly understated because complete repair costs were not available at all sites and the estimate did not include damages to housing equipment and appliances.

CHAPTER 3

MAJOR CHANGES ARE NEEDED TO INCREASE

THE BENEFITS AND EFFECTIVENESS OF

FAMILY HOUSING SELF-HELP PROGRAMS

DOD regulations require family housing occupants to perform routine housekeeping tasks, primarily cleaning and yard work, that would be expected of tenants in private housing. In addition to these requirements, the services have specified other minor maintenance tasks that the tenants may elect to perform. These supplemental tasks, which vary among the services, are referred to as "self-help" maintenance. To encourage tenants to perform these voluntary tasks, the services have established self-help programs. ^{1/} By providing housing occupants training and free materials in return for their labor, these programs are intended to reduce maintenance costs while fostering responsibility in family housing tenants.

Though these self-help programs vary widely both among and within the services, service officials generally believe their programs to be successful. Yet, they have neither criteria nor procedures to measure program costs and benefits. Some installations do not accumulate program costs and those that do, do not report such costs to higher authority. In some cases the range of self-help materials goes beyond that needed for the voluntary tasks, which is in apparent conflict with DOD and service requirements that tenants pay for repairing damage they inflict. And on bases served by maintenance contracts, self-help programs may be an unnecessary expense. Moreover, internal controls to account for housing funds used in self-help programs are generally poor, and there is little accountability for self-help store inventories and issues. Finally, wide variances in programs may result in inequitable treatment of tenants.

Given these problems and conflicts, some self-help programs are not as effective as they should be. Military audit reports indicate that Government or contract maintenance personnel are still performing a substantial number of self-help tasks for tenants. Likewise, in our sample of maintenance records at 9 of the 11 installations reviewed, we identified about \$400,000 in self-help work that was done by the Government or its contractors. While the self-help concept has significant potential to reduce maintenance costs, the current implementation appears to be falling short of expectations, and some of the programs may cost more than they save.

^{1/}Self-help programs include minor maintenance and repairs to family housing units, rather than improvements, such as building fences and storage sheds.

QUESTIONABLE BENEFITS ACHIEVED
BY SELF-HELP PROGRAMS

DOD regulations do not identify specific maintenance tasks as occupant responsibilities. In the self-help programs, the services list minor maintenance tasks which they believe occupants can do, and they allow the individual installations to modify these lists. Consequently, the self-help tasks which tenants are encouraged (but not required) to perform vary among the services and the installations.

Generally these tasks involve such simple procedures as tightening screws, patching screens, resetting nails, oiling hinges, or clearing clogged drains. Installations provide their tenants lists of maintenance tasks they are encouraged to perform. (See app. II.)

In developing self-help programs, the services and their installations establish self-help stores and incur the costs of maintaining inventories and providing personnel to operate the stores. Also, where training is provided, instructors and training materials are required to carry out the program. As noted earlier, by providing occupants training and materials in return for their labor, self-help programs hope to reduce maintenance costs. Military officials believe their self-help programs are successful. Yet, they did not know the cost of the program and have no criteria or procedures to measure benefits. Because valid cost data and accurate issue records were not available, we could not determine conclusively the programs' cost effectiveness. However, before potential benefits from the self-help programs can be fully realized, we believe changes are needed to correct several basic problems.

- Inventories carried by some self-help stores conflict with the policy requiring tenants to pay for lost or damaged items and stores stock materials in excess of that needed to perform suggested self-help tasks.
- Internal controls to account for housing funds used in self-help programs are generally poor and there is little accountability for store inventories and materials issued.
- Maintenance contracts apparently affect tenants' willingness to perform self-help tasks and provide little advantage to the Government in encouraging tenants to perform minor maintenance since the contracts generally include the cost of labor and material to do these tasks.
- Wide variances in the self-help programs, which may not impact on program cost-effectiveness, create potential inequities for housing occupants.

Inventories of some self-help stores are inappropriate and conflict with tenant accountability policy

DOD and the services require family housing tenants to pay for damages they inflict through abuse or negligence. However, each service has established self-help stores which provide tenants free materials to replace those they may have lost or damaged. Consequently, the stores are replacing tenant-damaged items without charging the culpable tenant. Given the extensive inventories of self-help stores, the Government may be absorbing considerable unnecessary costs through the apparent evasion of tenant responsibilities.

Stores we visited carry inventories in excess of that needed to perform the minor maintenance of self-help tasks. In fact, some of these stores have become similar to small hardware stores. Occupants may routinely carry away, free of charge, such items as light globes, shower and towel rods, broiler pans, and venetian blinds, without justification of any sort. (See app. III.)

At Mather Air Force Base, for instance, 61 percent of the items issued over a year's time were replacement items, 31 percent were gardening supplies, and only 8 percent were repair parts. Likewise, at the Presidio, of 55 tenants obtaining materials from the installation's self-help store, 48 received replacement items and 7 received repair parts. In another example, the self-help stores at the New London Submarine Base stock about 600 different items, of which many are replacement items that tenants may have damaged or lost. The store manager does not determine how or why items are damaged or lost, but merely provides replacements upon request. We found similar situations at the Newport Naval Educational Training Center and the Cherry Point Marine Corps Air Station.

Self-help stores issue, without charge, materials that tenants in private housing generally have to provide for themselves. These include shower curtains, light bulbs and fuses, furnace filters, ice trays, and clotheslines. Given the stated purpose of the self-help programs, these items appear to be inappropriate to a self-help store.

A similar conflict exists between the self-help programs and occupant responsibilities regarding lawn and garden supplies. DOD and service regulations clearly assign tenants the responsibility for yard maintenance. Yet self-help stores routinely furnish tenants lawnmowers, trimmers, hedge clippers, rakes, and other gardening tools. For example, the Fort Eustis store issues a variety of gardening tools to each housing unit. At Little Creek Amphibious Base, the self-help store had about 60 power mowers and 2 bagger/shredders available to housing occupants. The store also provided gasoline to fuel these machines, despite Navy regulations prohibiting it.

The Marine Corps, recognizing that yard maintenance is the tenant's responsibility, in April 1980 directed its installations to remove lawn and garden items from self-help inventories by October 1982. Yet in February 1982, the store at Cherry Point purchased 30 power mowers, and as of October 28, 1982, those items remained in the store's inventory. The housing manager had no plans to remove these items from the store's stock.

Clearly the inventories of most self-help stores we visited violated the intention of the Congress, DOD, and the services that tenants be responsible for the costs of their damages and lawn maintenance. This conflict may amount to a considerable sum if self-help stores throughout the military are similarly stocked.

Internal controls over self-help program charges and self-help stores are inadequate

Installations we visited did not use adequate controls and procedures in managing self-help stores. Improper charges were made to self-help accounts, store records provided little accountability for materials, and installations did not ensure that store materials were used in family housing. As a result, the services cannot be sure how much their programs cost--and, therefore, whether they realize any savings.

Management of the self-help store at Langley Air Force Base exhibited each of the problems listed above. According to Air Force regulations, materials for the store--which serves other base activities in addition to family housing--are supposed to be purchased from operations and maintenance funds; the family housing cost account is to be charged the cost of materials issued to tenants. However, the office of the Base Civil Engineer, which operates the store, charged the cost of the entire inventory to the housing account and established procedures to transfer the costs of materials issued to other activities back to the operations and maintenance account. This has caused the housing account to bear the cost of maintaining a self-help inventory for all installation activities, which in turn has inflated the reported costs of housing maintenance.

Moreover, the procedures to transfer costs do not ensure that correct transfers are made. The self-help store clerk making the transfer used an outdated catalog to determine unit prices, some of which had increased since it was published. In effect, the housing account was buying stock at current prices and "selling" it to other activities at the older, lower prices. Furthermore, handling charges incurred in shipment of stock to the store were not passed on to the users, being absorbed instead by the housing account. For example, the housing account paid \$7.35 for each of 525 gallons of paint not intended for housing tenants and a special handling charge of \$168. Yet

the clerk charged only \$6.20 per gallon (according to the out-dated catalog) upon issue, without any charge for handling. This transaction alone cost the housing account \$772.

Furthermore, paint and painting supplies charged to the housing account could not be accounted for. A statistical sample of records showed that an estimated \$27,832 worth of paint and painting supplies were issued during fiscal years 1981 and 1982 (through Aug. 12, 1982). However, the installation's cost accounting records showed that the housing account had been charged \$61,655 for paint and related supplies for tenants. At best, this leaves a difference of \$33,823 for which store records do not account.

Finally, Langley's self-help store lacks procedures to ensure that its materials are actually used for family housing, even though Air Force regulations require such procedures. We did not identify incidents of theft or misuse of self-help materials, but instances discovered during the random sample of store records indicate a need for more effective controls. For example, one tenant received 12 gallons of paint in the last month of his occupancy, yet his quarters were completely repainted after he vacated the unit. The inspector who authorized the repainting did not know the tenant had received paint from the store.

The accountability problems discovered at Langley can be cited for self-help stores from the other services as well:

- At the Newport Naval Educational Training Center and the New London Naval Submarine Base, the cost of self-help materials has been inflated by the addition of charges for housing office administrative supplies. In addition, neither store has adequate records of quantities on hand or controls over materials issued.
- At the Presidio, one tenant drew 35 curtain rods though his housing unit had only 12 windows. Another received 29 curtain rods for a unit with 18 windows. And still another tenant received, in less than a year, 20 curtain rods, 16 window shades, a towel bar, a mailbox, 2 soap holders, and 2 toilet seats. The store manager said there was no guarantee that items are used for the intended purpose and believes that some items are being taken off the base.

Clearly, controls over self-help stores and program accounts are weak and open to abuse. In addition, the lack of accountability resulting from these inadequate controls prevents the services from assessing the actual costs and benefits of their self-help programs.

Self-help programs are impacted

At some bases repairs and maintenance are performed by private companies under maintenance contracts. These contracts generally pay a flat fee for the performance of a package of maintenance tasks, and no allowance or exception is made for work a tenant might voluntarily perform. With such a contract, there is little advantage to the Government in encouraging tenants to perform household maintenance or minor repairs, and still less in providing them the materials to do so for the contract costs have already accounted for those tasks and materials.

Beale Air Force Base discontinued its self-help store when it contracted out its housing maintenance, but still requires its tenants to perform some minor maintenance tasks as well as clean the housing units and provide lawn care. Yet some bases with such contracts also operate extensive self-help stores. In such cases, the services may be wasting rather than saving money.

Variations among self-help programs may result in unequal treatment of tenants

As noted earlier, self-help programs vary widely both among and within the services. Some, but not all, installations provide tenants training in self-help tasks. Most have self-help stores that provide maintenance materials, but some do not. Some stores provide very few items while others provide for almost every household need. And at least one store charges a nominal fee for one type of item.

The wide variation in self-help programs, in effect, creates inequities for service members. Since each installation determines the specific maintenance its tenants may perform and decides what items its self-help store may carry, tenants at one base may be expected to perform more maintenance tasks than tenants at another base. Similarly, tenants at some bases may receive considerably more free items than those at other bases, even within the same service.

For example, Beale Air Force Base has no self-help store, yet Langley has an extensive store. At Camp Lejeune, the store stocks only 6 items, while Cherry Point provides over 150 items. Finally, some installations provide power mowers and fuel, while others rely on tenants to provide their own.

SELF-HELP PROGRAMS HAVE NOT BEEN EFFECTIVE

Self-help programs were designed, in part, to reduce the Government's maintenance workload and to foster occupant responsibility by encouraging tenants to perform minor maintenance. In this regard the programs we looked at have not been fully effective. Maintenance records indicate that the Government is still performing those self-help tasks it was hoped tenants

would perform. It appears that as long as these tasks remain voluntary responsibilities, many tenants will leave them to the Government.

The Government still
performs self-help tasks

Although the self-help programs have existed for several years, a substantial amount of self-help work is still being done by the Government or its contractors. Army and Navy auditors have reported that self-help tasks still make up much of the services' maintenance workload. At one Marine Corps Base, Navy auditors estimated that self-help tasks may account for as much as 50 percent of all maintenance service calls. Army auditors have estimated that 28 to 36 percent of service calls to family housing were for self-help tasks.

We, too, found that contractors and installation maintenance personnel are still performing many self-help tasks. In a sample of housing records at 10 installations, we identified an estimated \$400,000 worth of self-help tasks performed by the Government or its contractors.

Estimated Cost of Self-help Tasks

Done at Government Expense

	<u>Incident rate</u>	<u>Estimated cost of self-help tasks</u>	<u>Average cost per housing units</u>
Navy:			
New London Submarine Base	73%	\$ 82,431	\$37
Naval Educational Training Center	74	58,094	40
Little Creek Amphibious Base	38	19,435	19
Marine Corps:			
Camp Lejeune	54	109,075	25
Cherry Point	34	31,252	14
Air Force:			
Langley Air Force Base	31	43,832	26
Beale Air Force Base	15	(b)	
Mather Air Force Base	28	<u>a/8,605</u>	7
Army:			
Fort Lee	53	<u>a/26,795</u>	18
Fort Eustis	40	<u>c/20,723</u>	15
Presidio of San Francisco		(d)	
Total		<u>\$400,242</u>	

a/Includes service call records only.

b/Rate insufficient to project.

c/Includes change of occupancy records only.

d/Records did not permit statistical sampling.

Clearly the self-help programs are not reducing the services' maintenance workloads as intended. The chief reason for this appears to be the voluntary nature of the programs. Since the self-help tasks are not mandatory, many tenants choose not to do them and request that the installations have the work done. Consequently, the Government bears both the cost of the self-help programs and the self-help maintenance.

It also appears that flat-rate maintenance contracts may dilute tenants' willingness to perform their own maintenance. Under this type of contract a private company is paid a fixed amount per unit per month regardless of actual maintenance performed. Tenants may regard their own maintenance efforts as saving the contractor money rather than the Government. Under this assumption, the tenants have less incentive to do their own maintenance.

CONCLUSIONS

While the self-help concept has significant potential to reduce maintenance costs, the current implementations of that concept appear to be falling short of expectations, and some of the programs may cost more than they save. In the absence of the cost-benefit studies, the services are unaware of the true cost of their programs and the effect on maintenance workloads. Moreover, without such studies, the services may not be aware of their programs' problems and conflicts. These problems threaten potential benefits the programs may be able to achieve. The practice of supplying tenants replacements for damaged or lost items conflicts with DOD and service regulations requiring tenants to pay for damages they inflict and to perform certain tasks at their own expense. Self-help stores may be reducing the tenants' responsibility for maintenance and damage while increasing Government costs. In addition, self-help programs would seem to be an unnecessary expense at those bases served by flat-rate maintenance contracts. Encouraging tenants to perform maintenance which the base has paid a contractor to perform would not be cost effective.

The programs are also handicapped by weak controls over funds, inventory, and issued materials. Costs are not accumulated, accounting procedures are not followed, and self-help inventory costs are mingled with those of other base activities. Many stores cannot detail the range, quantities, or costs of stock on hand nor can they ensure that the materials they issue to tenants are used in Government quarters. Under these conditions, the programs are open to undetected theft, loss, and abuse, while officials cannot make informed, effective management decisions.

Given the additional costs of operating the self-help programs and the problems cited above, we believe the likelihood of net savings is minimal. Tenants are still relying on the

Government to meet their maintenance needs and will probably continue to do so as long as the self-help tasks remain a voluntary tenant responsibility. Self-help programs offer the tenant little incentive to do maintenance work, and tenants may believe no savings accrue to the Government when they perform maintenance already covered under a maintenance contract.

Before potential benefits from the self-help programs can be fully realized, we believe changes are needed to correct the problems we identified.

Military officials believe their self-help programs are successful. However, we identified a number of problems and situations which indicate that net savings to the Government, if any, are minimal.

RECOMMENDATIONS

We recommend that the Secretary of Defense require each service Secretary to make a reassessment of their self-help program. The reassessment should include a determination of the actual, where available, or the best estimated cost of the program and the savings being realized. This data should originate at the installation level. If the service Secretaries determine that their programs are cost beneficial, then, in order to enhance the potential benefits of the self-help programs and to increase their effectiveness, we also recommend that the Secretary of Defense require each service Secretary to:

- Strengthen internal controls to ensure that (1) housing money used for self-help is properly accounted for, (2) store inventories are properly controlled, and (3) store items are used in military family housing to make minor repairs.
- Provide uniform, specific guidelines for the self-help programs that list (1) those tasks which are to be tenant responsibilities and (2) those items to be stocked in the self-help stores for tenant use in performing those tasks.
- Determine the feasibility of making minor maintenance tasks mandatory for tenants and charging the tenants if such maintenance is done at Government expense.

AGENCY COMMENTS AND OUR EVALUATION

DOD generally agreed with our overall findings and conclusions concerning the services' self-help maintenance programs. (See app. IV.) DOD said it will develop specific criteria to distinguish damages resulting from normal wear versus abuse and negligence. As we recommended, DOD will then direct the services to make cost-benefit studies of their self-help

programs. DOD also agreed to require each service to strengthen internal controls over self-help programs.

DOD concurred with our conclusion that the practice of supplying occupants with replacements for damaged or lost items conflicts with DOD and service regulations requiring occupants to pay for damages they inflict and to perform certain maintenance tasks at their own expense.

DOD agreed that there were wide variances in the self-help programs but stated that these programs were purposely broad in scope to permit flexibility in tailoring them to meet local conditions which vary due to size, age, type of housing, differences in climatic conditions, and geographical location.

We recognize that the conditions cited by DOD dictate some variances in self-help programs. However, the wide differences we noted, and the examples cited in our report, were not attributed to these conditions. To assure that housing occupants are aware of their self-help responsibilities and receive only authorized replacement parts, and that self-help programs are equitable for all military family housing occupants, we believe there should be more uniformity in the self-help programs and wide differences should be clearly warranted by the conditions cited by DOD. DOD did agree, however, with our recommendation that the services should provide guidelines on those self-help tasks which are occupant responsibilities and those items which should or should not be stocked in self-help stores.

DOD concurred with our finding and conclusion that the effectiveness of the self-help programs is questionable and that occupants still rely on the Government to meet their maintenance needs and will probably continue to do so as long as the self-help tasks are voluntary. However, DOD did not agree that the service Secretaries should be required to determine the feasibility of making minor maintenance tasks mandatory and charging occupants if such maintenance is done at Government expense. DOD stated that the self-help programs are voluntary and that there are instances when occupants do not perform certain tasks due to a lack of skill or motivation. DOD further stated that occupants are encouraged to perform minor maintenance and repairs, but to make maintenance tasks mandatory and charge occupants if such work is done at Government expense would be unfair to those personnel who lack the skill or are unable to perform the tasks.

We recognize that, while there would be some instances when occupants are unable to perform even simple maintenance tasks, with the proper training and materials available, nearly all occupants could accomplish minor tasks. In those rare instances where occupants are unable or refuse to do the work, a nominal fee could be charged. A similar practice is already being followed concerning occupants' responsibilities to clean housing

units and mow lawns. For example, if units are not properly cleaned or lawns mowed, the services will have the work done and charge the occupants. In addition, most military families reside off base where many are required to do minor maintenance work or pay to have it done. We believe that making self-help tasks mandatory could help provide the motivation necessary to significantly reduce the amount of self-help work currently done at Government expense. Therefore, we continue to recommend that DOD determine the feasibility of making minor maintenance tasks mandatory for tenants and charging tenants if such maintenance is done at Government expense.

DOD did not concur with our finding and conclusion that, where bases accomplish housing maintenance through flat rate contracts, self-help programs would seem to be an unnecessary expense and extensive self-help stores operated at these bases may not be cost effective. DOD said it believed that occupants are motivated to do self-help work because it gives them a sense of home ownership, and that there is no reason why occupants should not be encouraged to perform minor maintenance within their capability.

Our criticism was directed primarily to the continuation of extensive self-help stores at bases with maintenance contracts. We agree that occupants should be encouraged to perform minor maintenance, but believe that many self-help tasks, such as tightening screws, clearing drains, oiling hinges, and resetting nails do not require parts as materials. Additionally, self-help stores furnish many items that occupants should provide for themselves. As noted earlier, Beale Air Force Base discontinued its self-help store when it contracted out the housing maintenance. The base, however, still encourages its housing occupants to accomplish minor self-help tasks.

The main purpose of our proposal to reassess the need for self-help stores when housing maintenance is contracted out was to assure that where maintenance was being done under flat-rate contracts, self-help work accomplished by housing occupants using materials provided through self-help stores was adequately considered when entering into such contracts. In commenting on our proposal, DOD said it will direct the services to assess their maintenance service contracts at those bases where housing maintenance is contracted out to ensure that the wording and administration of the contracts do not result in duplication of work performed by the contractors and the occupants. As long as the assessments at the bases consider the need for self-help stores, we believe that DOD's comments are responsive to our proposal, and we are not making a recommendation at this time.

LOCATIONS VISITEDDEPARTMENT OF DEFENSE

Department of Defense, Housing Management Systems Office,
Washington, D.C.

Army

Department of the Army, Office of the Assistant Chief of
Engineers, Directorate of Military Programs, Army
Housing Management Office, Washington, D.C.,

Fort Eustis, Virginia

Fort Lee, Virginia

The Presidio of San Francisco, California

Navy

Naval Facilities Engineering Command, Virginia

Naval Amphibious Base, Little Creek, Virginia

New London Naval Submarine Base, Connecticut

Newport Naval Educational Training Center, Rhode Island

Marine Corps

Marine Corps Headquarters, Housing Management Office,
Virginia

Camp Lejeune, North Carolina

Cherry Point Marine Corps Air Station, North Carolina

Air Force

Housing and Services Division, Directorate of Engineering
and Services, Deputy Chief of Staff for Logistics and
Engineering, Virginia

Langley Air Force Base, Virginia

Mather Air Force Base, California

Beale Air Force Base, California

EXAMPLES OF SUGGESTED SELF-HELPTASKS FOR HOUSING OCCUPANTS 1/

Reset nails

Refasten and replace coat hooks, clothes poles, and closet shelves

Oil hinges

Tighten screws

Caulk door, windows, tubs, and showers

Patch holes in screens or replace

Tighten shade and blinds brackets

Install curtain rods

Unstop drains

Stop simple leaks in faucets and commodes

Install shower heads

Replace broken light globes and replace bulbs and flourescent tubes

Replace cracked outlet covers

Replace broken windows

Spread fertilizer and grass seed

Replace floor tile

Minor or touch-up painting

Replace door hardware

Replace weather stripping

1/These tasks are in addition to those required by DOD and service regulations, which include primarily cleaning and lawn care.

Replace towel racks, toilet paper holders, soap dishes

Plaster small wall holes

Replace commode seats

Replace shower curtain rods

Replace door closers/door stops

Replace venetian blinds/shades

EXAMPLES OF MATERIAL PROVIDEDBY SELF-HELP STORES 1/

Faucet washers and parts
Toilet tank parts (floats, seals, etc.)
Stoppers for sink, garbage disposal, bath
Toothbrush and tumbler holder
Soap dish
Towel bars
Paint
Paint brushes and rollers
Plastic drop cloths, 9'x 12'
Electrical switch and outlet covers
Shower head
Cabinet hardware
Door stops
Robe hooks
Teflon tape
Caulk
Wood dough
Spackling or joint compound
Weather stripping
Bedroom/bathroom lock set
Drip pans and broiler pans for stove

1/The above items were offered at one or more of the installations we visited.

Storm door hardware
Nail and screw assortment
Commode seats
Traverse rods, curtain rods
Light globes
Nylon cord
Dryer vent kit
Commode and sink plunger
Drawer guides
Venetian blinds
Window shades
Mailbox
Clotheslines
Shower curtain
Ice trays
Screen wire
Insecticide
Floor tiles
Batteries
Light bulbs/flourescent tubes
Lawn mowers (power, including gasoline)
Bagger-shredders
Edgers
Hedge clippers

Post hole diggers

Rakes and hoes

Lawn sprinkler and garden hose

Fertilizer and grass seed

Top soil



MANPOWER
RESERVE AFFAIRS
AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

15 APR 1983

Mr. Donald J. Horan
Director
Procurement, Logistics and Readiness Division
United States General Accounting Office
Washington, DC 20548

Dear Mr. Horan:

Your March 7, 1983 letter to the Secretary of Defense requested our review and comments on your draft report entitled, "Increased Emphasis and Clearer Guidance on Occupants' Responsibilities Can Reduce Military Family Housing Costs," (Code 945606 - OSD Case No. 6207).

The Department concurs with most of the findings, conclusions and recommendations in the referenced draft report. Detailed comments directed toward each specific finding, conclusion and recommendation are reflected in the enclosed.

The opportunity to comment on the draft report is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "James N. Juliana".

James N. Juliana
Principal Deputy Assistant
Secretary of Defense
(Manpower, Reserve Affairs, and Logistics)

Enclosure

GAO note: The page references in this appendix refer to page numbers in the draft report.

GAO DRAFT REPORT, FA-83-56, DATED MARCH 7, 1983
(GAO CODE NO. 945606) OSD CASE NO. 6207
DOD RESPONSE TO REPORT'S FINDINGS,
CONCLUSIONS AND RECOMMENDATIONS

FINDING A: Clear, Specific Guidance Needed for Identifying and Assessing Damages Resulting From Tenant Abuse and Negligence. GAO found that neither DoD or the services has (1) developed specific criteria for distinguishing damages from normal wear versus those resulting from tenant abuse and negligence, and (2) assertively ensured that procedures are developed and implemented to effectively identify and assess such damages. GAO further found that, without this "command" emphasis or guidance, (1) laxity exists in identifying and assessing these damages at military installations--unidentified damages are treated as routine maintenance with the Government absorbing most repair costs, and (2) over \$1.1 million in repair costs identified at 11 installations visited which GAO believes was necessitated by tenant abuse and negligence. (GAO noted that DoD owns and operates nearly 269,000 housing units and the high cost of maintaining these units, which reached \$400 million or an average of \$1,500 per unit for 1981, has long been a source of Congressional concern). (pp. 1 and 5, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. DoD concurs that specific criteria should be developed to distinguish damages resulting from normal wear versus abuse and negligence and that procedures be developed which effectively identify and assess damages. DoD does not concur with the methodology upon which the \$1.1 million estimate of tenant damage was determined since the GAO survey was based on repair documents and not an analysis of actual circumstances of the damages.

FINDING B: Additional Legislative Authority and Incentive Not Effectively Utilized - Little Effect: GAO found that, although additional authority and incentive was provided in 1980 legislation, DoD and the services have (1) been slow to implement its provisions (individual services didn't issue changes to their regulations until 1982) and (2) not provided consistent explicit criteria for defining tenant damage caused by abuse or instructions for identifying and assessing such damages. (GAO noted that, prior to 1980, DoD officials recognized that proving gross negligence was difficult, costly, and sometimes prevented the services from collecting for damages done to housing. In 1980 Congressional aid was sought and in the fiscal year 1981 Military Construction Act (1) the requirement to prove gross negligence was deleted, (2) the Secretary of Defense was instructed to provide regulations for determining the cost of repairs or replacements as a result of tenant abuse, (3) the Service Secretaries were given authority to make involuntary deductions from all service member's pay, and (4) as an incentive all monies collected for tenant damages were to be credited to the Family Housing Management Account). GAO further found this lack of guidance and emphasis reflected at the housing installations visited as housing offices continued to assess and collect damages essentially in the same manner as prior to the new legislation. (GAO further noted that without guidance for distinguishing damage from normal wear versus damage caused by tenant abuse and negligence, that wide variations in practice among and within the other installations exists). (pp. 5-8, GAO Draft Report)

DOD Comment: Department of Defense concurs. The process of developing and implementing guidance required time consuming actions which included a request for comments from the Services and formal coordination from the Assistant Secretary of Defense (Comptroller) and General Counsel. Many actions were required to ensure the law was fully implemented and that occupant rights were protected and each was expeditiously accomplished. The DoD instruction was implemented by each of the Services except Navy which is pursuing voluntary collection for damages while awaiting resolution of policy issues concerning limits of liability and due process protections for service members. DoD concurs that specific criteria should be developed to distinguish damages resulting from normal wear versus abuse and negligence and procedures should be developed for assessing such damages.

FINDING C: Failure to Identify And Recover Repair Costs Can Result in Significant Losses. GAO found that substantial tenant damage goes undetected and that installations have found it difficult to assess appropriate repair costs--often the Government must absorb these costs. GAO further found that failure to identify and recover tenant caused damages can result in a significant loss. (GAO noted that tenants of military housing, do not post security deposits to cover damages they might inflict, rather the military relies on a series of inspections to identify such damages and then collects repair costs based on these inspections). (p. 8, GAO Draft Report)

DOD Comment: Department of Defense concurs. Failure to identify and recover tenant caused damages can result in a significant loss. Although the Services have inspection programs to help identify tenant damage they indicate they will issue additional guidance to strengthen their collection process.

FINDING D: Possible Ineffectiveness In Identifying Tenant Damage. Through analysis of a random selection of housing unit repair records for a 1-year period, GAO found that most of these units had at least one incident of damage not charged to the tenant--damage incident rate ranges from 12 to 85 percent with estimated costs of repairs of over \$1 million. GAO further found that although they could not absolutely determine whether these repairs were caused by tenant abuse, the high percentage of units which were repaired at Government expense indicates the services' ineffectiveness in determining and assessing tenant damage: (GAO noted that with some variations the services follow standard procedures to identify and assess tenant damages: (1) upon moving in a joint inspector/tenant inspection is conducted to document the units' condition, (2) before the tenant moves out an inspector comes to determine any damage, its likely cause, and to inform the tenant of any liability for repairs or reimbursement, and (3) after the unit is vacated a final inspection occurs to ensure that undetected or unrepaired damage is properly handled--if the inspector believes the tenant is liable he/she starts procedures to collect repair costs from the tenant). (p. 9, GAO Draft Report)

DOD Comment: Department of Defense concurs. Although GAO indicated that they could not absolutely determine whether the repairs were caused by tenant abuse, the high incidence of repairs made at Government expense could indicate that the Services' efforts to determine and assess tenant damage are not effective.

FINDING E: Reasons for Failure to Identify Tenant Liability Varied. Specific reasons for the failure to identify tenant liability varied, however, GAO found that lack of the necessary training and written criteria to discriminate between normal wear and damages by negligence or abuse summed it up best. (GAO noted several examples that illustrated the ineffectiveness of the services damage assessment and collection efforts--see p. 12, GAO Draft Report). (pp. 12-13, GAO Draft Report)

DOD Comment: Department of Defense concurs. Specific criteria should be developed to distinguish damages resulting from normal wear versus abuse and negligence. Judgement will continue to be exercised in the determination of damages.

FINDING F: Tenant Sometimes Charged Less Than The Cost of Repair. GAO found that even when tenant damage due to neglect or abuse is identified (1) the tenant may be charged less than the cost of repair or (2) the repair cost may be considered insignificant and not collected. (For example, GAO noted that (1) at Beale Air Force Base tenant damages estimated at less than \$50 are routinely repaired without charge to the tenant, and (2) at Little Creek Amphibious Base a tenant did extensive damage which required replacement of four doors and a shower enclosure, however, the tenant was only charged \$45 each for the doors and enclosure versus the cost to replace of \$82 each for the doors and \$111 for the shower enclosure). (p. 13, GAO Draft Report)

DOD Comment: Department of Defense concurs. However, examples of occupants being charged less than the cost to repair the damages are considered exceptions to the norm. The condition of the damaged item also needs to be taken into consideration when an estimate is made of tenant caused damage.

FINDING G: Damage Seldom Ascertained During Maintenance. GAO found that, although repairman should notify the housing inspector if negligence or tenant abuse is likely when repairs are made to occupied housing units, procedures and practices at some sites are not conducive to identifying and reporting tenant-caused damage. GAO further found that although housing inspectors are responsible for identifying tenant-caused damages and initiating collection, (1) they are not usually involved with repairs to occupied units, (2) requests for services are sometimes received by other than the housing office, (3) repairmen lack the incentive to notify the housing office of damages as it increases their work or they lack faith that housing will charge the tenant and (4) they are uncertain regarding normal wear versus tenant-caused damages. (GAO noted that when a repairman refrains from fixing damage and notifies housing he must then make a second service call to perform the authorized repair--one contractor states he ignores this requirement as it increases his labor costs without increasing his revenue). (pp. 9, 13a, 14, 15, GAO Draft Report)

DOD Comment: Department of Defense concurs.

FINDING H: Neither Criteria Nor Procedures Exist To Measure Costs and Benefits of Self-Help Programs. GAO found that, although the service officials generally believe their self-help programs are successful, they have neither criteria nor procedures to measure program costs, and benefits, therefore, they could not determine the programs' cost effectiveness. GAO

further found that some self-help programs may not be very effective and may cost more than they save for the following: (1) in some cases the range of self-help materials goes beyond that needed for voluntary tasks (apparent conflict with DoD and service requirements), (2) at bases served by maintenance contracts the self-help programs may be an unnecessary expense, (3) internal controls to account for self-help housing funds are usually poor, (4) little accountability exists for self-help store inventories and issues and (5) the wide variances in programs may result in inequitable treatment of tenants. (GAO noted that DoD regulations require family housing occupants to perform routine housekeeping tasks and also additional supplemental tasks, which vary among the services, and are referred to as "self-help" maintenance. GAO further noted that self-help programs have been set up to encourage performance of these voluntary tasks and by providing housing occupants training and free materials in return for their labor are intended to reduce maintenance costs while fostering responsibility). (pp. 18, 19, 20, 21, GAO Draft Report)

DOD Comment: Department of Defense concurs. Although occupants of government family housing have been assigned certain responsibilities for performance of routine maintenance and minor repairs to their units, their participation in Service Self-Help Programs is strictly voluntary. The Self-Help Programs are designed to instill in the occupant a sense of home ownership and of responsibility to act as a prudent tenant. It is felt that the voluntary participation of the occupant in the Services Self-Help Programs ultimately results in cost savings to the Government.

FINDING I: Inventories Carried at Self-Help Stores Inappropriate and Conflict With Tenant Accountability Policy. GAO found that (1) the self-help stores are replacing tenant-damaged items without charging the culpable tenants and (2) given the extensive inventories of these stores, the Government may be absorbing a considerable amount of unnecessary costs through this apparent evasion of tenant responsibilities. GAO also found that some stores carried inventories in excess of that needed to perform the minor maintenance of self-help tasks (some stores were similar to small hardware stores providing free replacement items to tenants). (GAO noted the following: (1) at Mather Air Force Base, 61 percent of the items issued over a years' time were replacement items, 31 percent were gardening supplies and only 8 percent were repair parts, (2) at New London Submarine Base, 600 items are stocked of which many are replacement items--further the manager merely provides replacements upon request without determining how or why items are damaged or lost and (3) self-help stores issue without charge, items tenants in private housing, have to provide for themselves, i.e., light bulbs, ice trays, etc., which are inappropriate for a self-help store). (pp. 21-22, GAO Draft Report)

DOD Comment: Department of Defense concurs. There may be instances' where self-help stores are replacing tenant-damaged items without charging occupants and where size of inventories are in excess of that needed to perform minor maintenance but those instances are not believed to be pervasive throughout the Services.

FINDING J: Conflict With Tenant Responsibilities Regarding Lawn and Garden Supplies. GAO found that although yard maintenance is clearly the tenants' responsibility, the self-help stores routinely furnish tenants lawnmowers,

trimmers, rakes, etc., which is in conflict with occupant responsibilities. (GAO noted that the Marine Corps directed its installations to remove lawn and garden items from their self-help inventories by October 1982. However, 30 lawn mowers were purchased at a store at Cherry Point with no plans to remove them from the stores' stock). (pp. 22-23, GAO Draft Report)

DOD Comment: Department of Defense concurs. However, there are locations throughout the world where shipment of household goods is restricted and occupants would not be expected to have lawn and garden equipment. Because of this the Services should provide guidelines to their installations as to what items will be provided through the self-help store and the installations should tailor them to meet local conditions.

FINDING K: Inadequate Internal Controls Over Self-Help Stores and Program Charges. GAO found that, at installations visited, the controls over self-help program accounts were weak and open to abuse, i.e., improper charges were made to self-help accounts, store records provided little accountability for materials, installations did not ensure that store materials were used in family housing. GAO further found that as a result, the services cannot ascertain program costs and whether they realize any savings. (GAO noted the following problems at the self-help store at Langley Air Force Base (1) the cost of the entire inventory was charged to the family housing account versus the operations and maintenance account, as required, (2) procedures were established to transfer the costs of materials issued to other activities back to the operations and maintenance account causing the housing account to bear the cost of maintaining a self-help inventory for all installation activities--inflated the reported costs of housing maintenance, (3) the procedures to transfer costs were inadequate to ensure correct transfers were made, i.e., paint and painting supplies charged to the housing account could not be accounted for, and (4) the procedures to ensure that materials were used for family housing are lacking. GAO further noted similar accountability/internal control problems at other services' self-help stores). (pp. 23-26, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Service regulations provide for an inventory control system to be established at installations to ensure proper audit trails, replenishing of supplies, and tracking of loaner items. Individual instances of non-compliance with Service regulations are addressed during Service Inspector General inspections.

FINDING L: Services May Be "Wasting" Money With Self-Help Programs When Maintenance Contract Exist. GAO found there is little advantage to the Government in encouraging tenants to perform household maintenance or minor repairs when repairs and maintenance are performed by private companies under a flat fee maintenance package where no allowance/exception is made for work a tenant might voluntarily perform. GAO further found that some bases with such maintenance contracts also operate extensive self-help stores which may result in wasting rather than saving money. (pp. 26-27, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. The Services' Self-Help Programs are flexible and are designed to instill in the occupant a sense of homeownership and of responsibility to act as a prudent tenant, but not be duplicative of the work a contractor performs. A contractor's bid on a

maintenance service contract takes into consideration the historical cost of maintenance which potentially is lower because of the voluntary work performed on a self-help basis by occupants. There is no reason why occupants shouldn't continue to be encouraged to perform minor maintenance and repairs within their capability which could result in lower costs to the contractor and lower costs to the Government. Self-help maintenance performed by occupants is only a part of what the program is intended to do. The Services' Self-Help Programs encourage voluntary participation by occupants to enhance the quality of their lives by performing such work as landscaping of common areas and construction of tot lots, patios and fences. These types of self-help projects would continue irrespective of maintenance work performed by contractors.

FINDING M: Variations In Self-Help Programs May Result In Unequal Treatment of Tenants. GAO found that, since each installation determines the specific maintenance its tenants may perform and decides what items its self-help store may carry, wide variations in self-help programs and inequities for service members exist. (GAO noted that (1) Beale Air Force Base has no self-help store--Langley has an extensive store and (2) Camp Lejeune stocks six items--Cherry Point provides over 150 items). (p. 28, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Occupant responsibilities and Self-Help Programs are purposely broad in scope to permit the flexibility of tailoring them to meet local conditions which vary due to size, age and type of inventory, differences in housing appliances and equipment, climatic conditions and location of the installation. For that reason there will be differences between installations but all occupants are treated equitably within each installation.

FINDING N: Effectiveness of Self-Help Programs Questionable--Government Still Performing Self-Help Tasks. GAO found that the Government is (1) still performing those self-help tasks it hoped tenants would perform and (2) as long as these tasks remain voluntary, many tenants will leave them to the Government. GAO further found in a sample of housing records at ten installations, an estimated \$400,000 worth of self-help tasks performed by the Government or its contractors i.e, the Government is bearing the cost of the self-help program and the self-help maintenance. (GAO noted that Army and Navy auditors have reported that self-help tasks still make up much of the services' maintenance workload, and Army auditors estimated that 28 to 36 percent of service calls are for self-help tasks). (pp. 29-30, GAO Draft Report)

DOD Comment: Department of Defense concurs. The Services Self-Help Program is voluntary and there are instances where occupants do not perform certain tasks due to a lack of skill or motivation. This does not mean that the Self-Help Programs are not or cannot be effective. The self-help work performed by occupants frees up craftsmen to perform other complex work at military installations.

CONCLUSION 1. GAO concluded that the military services have not effectively held tenants accountable for damages to public quarters. (p. 15, GAO Draft Report)

DOD Comment: Department of Defense concurs. Although GAO indicated they could not absolutely determine whether the repairs were caused by tenant damage, the high incidence of repairs made at Government expense gives the appearance that the Services have not effectively held tenants accountable for damages to public quarters.

CONCLUSION 2. GAO concluded that both DoD and the services have been slow in implementing new legislation which provided additional authority and incentive for making housing occupants accountable for damages. (p. 15, GAO Draft Report)

DOD Comment: Department of Defense concurs. The time taken by DoD and the Services to implement their instructions was necessary to properly staff and coordinate with legal and comptroller personnel.

CONCLUSION 3. GAO concluded that neither DoD or the services has provided criteria for defining damages caused by tenant abuse nor clear instructions for identifying and collecting for such damages. (p. 15, GAO Draft Report)

DOD Comment: Department of Defense concurs. Specific criteria should be developed to distinguish normal wear versus abuse and negligence and procedures be developed for assessing such damages.

CONCLUSION 4. GAO concluded that installation housing offices have been reluctant to charge tenants for damages, as they are uncertain as to what constitutes abuse and negligence. Therefore, GAO concluded that damages caused by tenants are often not identified as such and the Government absorbs the repair costs. (p. 15. GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Although specific guidance is needed to distinguish normal wear versus abuse and negligence, the Services indicate they are pursuing identification and collection of damages caused by occupant negligence.

CONCLUSION 5. GAO concluded that procedures for providing maintenance to occupied housing units frequently exclude the housing inspectors who are responsible for identifying and assessing tenant damage repairs and at some installations repairs are treated as routine maintenance, no charges were assessed against the tenant, and the Government bore the cost of repairs. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs.

CONCLUSION 6: GAO concluded that more assertive efforts to identify and assess occupant damages would deter misuse and reduce family housing maintenance costs without taking unfair advantage of housing occupants. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs.

CONCLUSION 7. GAO concluded that although the self-help concept has significant potential to reduce maintenance costs, the current implementation of that concept appears to be falling far short of expectations, and some of the programs may cost more than they save. (p. 30, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. DoD concurs that the Self-Help Program has significant potential to reduce or avoid maintenance costs. However, DoD does not concur that the program is falling far short of expectations. The program is voluntary and designed to instill a sense of home ownership and responsibility. The inability to demonstrate large savings does not indicate the program is falling short of expectations.

CONCLUSION 8. GAO concluded that in the absence of cost-benefit studies, the services are unaware of the true cost of their programs and the effect on maintenance workloads--without such studies, the services may not be aware of their programs' problems and conflicts. (p. 30, GAO Draft Report)

DOD Comment: Department of Defense concurs. Although the Services Self-Help Program is voluntary and intended to instill a sense of home ownership and responsibility, the absence of a cost benefits analysis does not enable the Services to be aware of potential problems with the program.

CONCLUSION 9. GAO concluded that the practice of supplying tenants replacements for damaged or lost items conflicts with DoD and service regulations requiring tenants to pay for damages they inflict and to perform certain tasks at their own expense. (p. 30, GAO Draft Report)

DOD Comment: Department of Defense concurs.

CONCLUSION 10. GAO concluded that self-help stores may be reducing the tenant's responsibility for maintenance and damage while increasing Government costs. (p. 30, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. This conclusion is valid only at installations which stock and provide free of charge to the occupants, items which should be the responsibility of the occupant to provide or replace.

CONCLUSION 11. GAO concluded that self-help programs would seem to be an unnecessary expense at those bases served by flat-rate maintenance contracts--i.e., encouraging tenants to perform maintenance which the base has paid a contractor to perform is not cost effective. (p. 31, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. See DoD comment to Finding L.

CONCLUSION 12. GAO concluded the self-help programs are handicapped by weak controls over funds, inventory and issued materials, i.e., costs are not accumulated, accounting procedures are not followed, and self-help inventory costs are mingled which opens the programs to undetected theft, loss and abuse, while officials cannot make, informed, effective management decisions. (p. 31, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Service regulations provide for an inventory control system to be established at installations to ensure proper audit trails, replenishing of supplies, and tracking of loaner items. Individual instances of non-compliance with Service regulations are addressed during Service Inspector General inspections.

CONCLUSION 13. GAO concluded that given the additional costs of operating the self-help programs and the problems cited the likelihood of net savings is minimal. (p. 31, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. Problems with the Services Self-Help Programs are recognized but the potential cost savings are so large for each service call not performed that the possibility of net savings is very great. The potential savings will be documented when the Services perform a cost/benefit analysis of their program.

CONCLUSION 14. GAO concluded that tenants are still relying on the government to meet their maintenance needs and will probably continue to do so as long as the self-help tasks remain a voluntary tenant responsibility. (p. 31, GAO Draft Report)

DOD Comment: Department of Defense concurs. Occupants are encouraged to perform minor maintenance and repairs to their quarters on a self-help basis. Some occupants lack the skill or are not capable to perform the maintenance.

CONCLUSION 15. GAO concluded that self-help programs offer the tenant little incentive to do maintenance work as they may believe no savings accrue to the Government when they perform maintenance already covered under a maintenance contract. (p. 31, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. It is believed that occupants are motivated to do self-help work not because it saves the Government money but because they can perform the work quicker and it gives them a sense of home ownership. Many occupants are unaware of whether their maintenance is performed by Government personnel or contract.

CONCLUSION 16. GAO concluded that changes are needed to correct basic problems before any potential benefits from the self-help programs can be fully realized. (p. 32, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. DoD recognizes that there are problems with the Services' Self-Help Programs but believes that many benefits such as quicker response time for repairs, enhanced quality of life and greater occupant satisfaction with housing are being realized.

RECOMMENDATION 1. GAO recommended that the Secretary of Defense provide more explicit criteria as to what constitutes abuse and neglect, and strongly emphasize the importance of ensuring that tenants pay for damages. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs. DoD will develop specific criteria within 180 days to distinguish damages resulting from normal wear

versus abuse and negligence. Service Inspector General teams will be asked to include a review of tenant accountability and collection procedures for damages in their inspections.

RECOMMENDATION 2. GAO recommended that the Secretary direct the Secretaries of the Army, Navy and Air Force (services) to provide highly visible emphasis on an assertive damage assessment and collection program. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs. Subsequent to DoD developing specific criteria to distinguish damages resulting from normal wear versus abuse and negligence, DoD will direct the Service Secretaries to provide highly visible emphasis on an assertive damage assessment and collection program.

RECOMMENDATION 3. GAO recommended that the Secretary direct the services to develop and issue clear, specific instruction for identifying and collecting tenant damages. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs. DoD will develop specific criteria within 180 days to distinguish damages resulting from normal wear versus abuse and negligence and ensure that the guidance is implemented by the Services.

RECOMMENDATION 4. GAO recommended that the Secretary direct the service Secretaries to evaluate and report periodically the effectiveness of their efforts to make housing occupants accountable for their actions. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. Subsequent to DoD developing specific criteria to distinguish damages resulting from normal wear versus abuse and negligence, DoD will direct the Service Inspector General teams to include a review of tenant accountability and collection procedures for damages in their periodic inspections. Periodic reports to DoD are not considered necessary.

RECOMMENDATION 5. GAO recommended that the service Secretaries require that their installations provide proper support and command emphasis on enforcing housing occupants' responsibilities.

DOD Comment: Department of Defense concurs.

RECOMMENDATION 6. GAO recommended that the service Secretaries require their installations to develop and implement procedures to assure that maintenance personnel identify work necessitated by suspected tenant damages and that housing inspectors are notified in order to start collection actions. (p. 16, GAO Draft Report)

DOD Comment: Department of Defense concurs. Procedures to be developed at the installation should be sufficient to enable inspectors to identify suspected tenant damage and begin the collection process.

RECOMMENDATION 7. GAO recommended that the Secretary of Defense require each service Secretary to make a reassessment of their self-help program to include a determination of the actual, where available, or the best estimated cost of the program, and the savings being realized. This data should originate at the installation level. If the service Secretaries determine that their programs are cost beneficial, then, in order to enhance the potential benefits of the self-help programs and to increase their effectiveness, GAO recommended that the Secretary of Defense require each service Secretary to implement recommendations 8 through 11. (p. 32, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Subsequent to DoD developing specific criteria to distinguish damages resulting from normal wear versus abuse and negligence, DoD will direct the Service Secretaries to make an assessment of their Self-Help Program to include a determination of actual or best estimate of the program, and the savings being realized. DoD does not concur that the Services' Self-Help Program guidance be rigid for each location or that maintenance tasks be made mandatory and occupants charged if such maintenance is done at Government expense.

RECOMMENDATION 8. GAO recommended that the Secretary require each service Secretary to strengthen internal controls over self-help programs to ensure that (1) housing money used for self-help is properly accounted for; (2) store inventories are properly controlled; and (3) store items are used in military family housing to make minor repairs. (p. 32, GAO Draft Report)

DOD Comment: Department of Defense concurs. Subsequent to DoD developing specific criteria to distinguish damages resulting from normal wear versus abuse and negligence, DoD will direct the Service Secretaries to ensure that (1) housing money used for self-help is properly accounted for; (2) store inventories are properly controlled; and (3) store items are used in military family housing to make minor repairs.

RECOMMENDATION 9. GAO recommended that the Secretary require each service Secretary to provide uniform, specific guidelines for the self-help programs that list (1) those tasks which are to be tenant responsibilities, and (2) those items to be stocked in the self-help stores for tenant use in performing those tasks. (p. 33, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. DoD concurs that the Services should provide guidelines on those tasks which are occupant responsibilities and which items should and should not be stocked in a self-help store. DoD does not concur that the guidance should be rigid for each installation because it is felt that the effectiveness of the program is based on the flexibility of tailoring the program to the needs of the installation.

RECOMMENDATION 10. GAO recommended that the Secretary require each service Secretary to determine the feasibility of making minor maintenance tasks mandatory for tenants and charging the tenants if such maintenance is done at Government expense. (p. 33, GAO Draft Report)

DOD Comment: Department of Defense nonconcur. Occupants of military family housing are already responsible for performance of routine maintenance and minor repairs to their quarters and grounds. To make maintenance items mandatory and charge tenants if such maintenance is done at Government expense would be unfair to those personnel who lack the skill to perform the work and to families whose sponsor is deployed and the spouse is unable to perform the work.

RECOMMENDATION 11. GAO recommended that the Secretary require each service Secretary to reassess the need for self-help store, when housing maintenance is contracted out. (p. 33, GAO Draft Report)

DOD Comment: Department of Defense partially concurs. Subsequent to DoD developing specific criteria to distinguish damage resulting from normal wear versus abuse and negligence, DoD will require the Service Secretaries to assess their maintenance service contracts at installations where housing maintenance is contracted out to ensure that the wording and the administration of the maintenance contract does not result in duplication of work performed by both the contractor and the occupant.

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